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C O N F I D E N T I A L DJIBOUTI 000492

SIPDIS

E.O. 12958: DECL: 04/05/2014

TAGS: PREL PGOV AMGT ABLD ECON ETRD EINV DJ SA

SUBJECT: SAUDI INVESTOR DEVELOPING HARAMOUS REGION

REF: DJIBOUTI 340

Classified By: Pol/Econ Erinn C. Reed for reasons 1.4 (b) and (d)

¶1. (U) PolOff, Econ/Comm Assistant and OBO representative met April 4 with Mohammed M. Ali Yamani, Managing Director of Maya Trading Company in Jeddah and Fahmi Ahmed Al-Hag, President Guelleh's Advisor on Investment. Yamani recently signed a contract with the Government of Djibouti, including full land ownership rights, to develop the Haramous region of Djibouti city. (See Reftel) Embassy met with Yamani to discuss the impact the Haramous Village development would have on possible sites for a New Embassy Compound. All three possible sites are located within the Haramous Village area.

¶2. (U) Al-Hag led off discussions reminding Embassy representatives that the U.S. had not made any formal requests for sites to the government and a decision would have to be made quickly due to the high demand for land in the last residential zoned sector of the city. Al-Hag explained that the amount of land designated for the Haramous Village project is 840,000 square meters, which was increased from the initial number cited in reftel. Al-Hag also explained that though this region has been undeveloped up to this point, there are twenty landowners in the Haramous area that would be re-imbursed for the relinquishment of their holdings.

¶3. (U) Yamani's attitude was very cordial and eager, commenting that the Embassy would be a client and any special considerations would be accommodated. Yamani showed Embassy representatives a detailed plan of Haramous Village and discussed the time frame and process of construction. Haramous Village is intended to be a new high-end residential area, with an average villa cost of \$250,000-350,000. The village will have 260 total new villas, as well as a housing complex with apartments to rent. These apartments will be available to rent for short periods of time for businessmen traveling through Djibouti for longer amounts of time. Haramous Village will have Mosques, reception halls, a recreation center, police and fire stations, a clinic, commercial center and a luxury hotel on the water. The project will have all the most modern technological infrastructure and will be equipped with piping for eventual sewage disposal systems that would accompany a waste water treatment plant if Djibouti were to convert from its current septic tank system. Yamani emphasized that the project was at an early stage and all requests could be accommodated and plans adapted before construction began. Yamani indicated a willingness to work with whichever site the U.S. picked for a new Embassy.

¶3. (C) COMMENT: Post information reveals that Yamani has influential ties with the President's brother, Said Omar Guelleh. Post has also heard rumors that bribes may have been passed to expedite the acquisition and processing of permits for the Haramous development project. Post does not have credible evidence of these bribes, or that any money exchanged went beyond the standard favors that grease the wheels of business in Djibouti. However, Post's impression of Yamani was that of a very honest, genial, and professional businessman willing to do the job right the first time and adapt to meet the needs of a potential client. Any information Embassy Riyadh or Consulate Jeddah can shed on Yamani would be greatly appreciated. End Comment.

RAGSDALE